

4/10/01 assessment db updated cm

4-10-01
cm

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

<p>W-01380A WATER RAY WATER COMPANY, INC. 414 NORTH COURT TUCSON AZ 85701-0000</p>		<p>ARIZONA CORPORATION COMMISSION UTILITIES DIVISION 122 - 0000 TUCSON, ARIZONA</p>	<p>R</p>
---	--	---	----------

ANNUAL REPORT

FOR YEAR ENDING

12	31	2000
-----------	-----------	-------------

FOR COMMISSION USE

ANN 04	20
--------	----

COMPANY INFORMATION

Company Name (Business Name) <u>Ray Water Company</u>		
Mailing Address <u>414 North Court Avenue</u>		
<u>Tucson</u> (City)	<u>Arizona</u> (State)	<u>85701</u> (Zip)
<u>520-623-1332</u>	<u>520-623-2302</u>	<u>N/A</u>
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address <u>N/A</u>		
Local Office Mailing Address <u>414 North Court Avenue</u>		
<u>Tucson</u> (City)	<u>Arizona</u> (State)	<u>85701</u> (Zip)
<u>520-623-1332</u>	<u>520-623-2302</u>	<u>N/A</u>
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address <u>N/A</u>		

MANAGEMENT INFORMATION

Management Contact: <u>Dorleen Mallis</u>		<u>President</u>	
(Name)		(Title)	
<u>414 North Court Avenue,</u> (Street)	<u>Tucson,</u> (City)	<u>Arizona</u> (State)	<u>85701</u> (Zip)
<u>520-623-1332</u>	<u>520-623-2302</u>	<u>N/A</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address <u>N/A</u>			
On Site Manager: <u>Dorleen Mallis</u>			
(Name)			
<u>414 North Court Avenue,</u> (Street)	<u>Tucson,</u> (City)	<u>Arizona</u> (State)	<u>85701</u> (Zip)
<u>520-623-1332</u>	<u>520-623-2302</u>	<u>N/A</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address <u>N/A</u>			

Statutory Agent: Rhonda Rosenbaum

(Name)

414 North Court,

(Street)

Tucson

(City)

Arizona

(State)

85701

(Zip)

520-623-1332

Telephone No. (Include Area Code)

520-623-2302

Fax No. (Include Area Code)

N/A

Pager/Cell No. (Include Area Code)

Attorney: Hugh Holub

(Name)

1180 Circulo Canario,

(Street)

Rio Rico,

(City)

Arizona

(State)

85648

(Zip)

520-377-8259

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☒ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME Ray Water Company

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	N/A	N/A	N/A
302	Franchises	700	-0-	700
303	Land and Land Rights	1,540	-0-	1,540
304	Structures and Improvements	13,780	6,605	7,175
307	Wells and Springs	278,921	123,867	155,054
311	Pumping Equipment	120,671	22,797	97,874
320	Water Treatment Equipment	N/A	N/A	N/A
330	Distribution Reservoirs and Standpipes	106,345	68,559	37,786
331	Transmission and Distribution Mains	567,138	274,648	292,490
333	Services	58,385	19,633	38,752
334	Meters and Meter Installations	104,558	61,504	43,054
335	Hydrants	40,811	12,963	27,848
336	Backflow Prevention Devices	N/A	N/A	N/A
339	Other Plant and Misc. Equipment	2,902	941	1,961
340	Office Furniture and Equipment	12,845	211	12,634
341	Transportation Equipment	28,000	2,100	25,900
343	Tools, Shop and Garage Equipment	671	372	299
344	Laboratory Equipment	N/A	N/A	N/A
345	Power Operated Equipment	N/A	N/A	N/A
346	Communication Equipment	694	365	329
347	Miscellaneous Equipment	1,253	658	595
348	Other Tangible Plant	N/A	N/A	N/A
	TOTALS	1,339,214	595,223	743,991

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

Ray Water Company

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	N/A	N/A	N/A
302	Franchises	700	N/A	N/A
303	Land and Land Rights	1,540	N/A	N/A
304	Structures and Improvements	13,780	5.0%	708
307	Wells and Springs	278,921	5.0%	12,270
311	Pumping Equipment	120,671	5.0%	6,034
320	Water Treatment Equipment	N/A	N/A	N/A
330	Distribution Reservoirs and Standpipes	106,345	5.0%	4,877
331	Transmission and Distribution Mains	567,138	5.0%	22,737
333	Services	58,385	5.0%	2,893
334	Meters and Meter Installations	104,558	5.0%	4,455
335	Hydrants	40,811	5.0%	1,222
336	Backflow Prevention Devices	N/A	N/A	N/A
339	Other Plant and Misc. Equipment	2,902	5.0%	145
340	Office Furniture and Equipment	12,845	5.0%	520
341	Transportation Equipment	28,000	5.0%	1,400
343	Tools, Shop and Garage Equipment	671	5.0%	33
344	Laboratory Equipment	N/A	N/A	N/A
345	Power Operated Equipment	N/A	N/A	N/A
346	Communication Equipment	694	5.0%	34
347	Miscellaneous Equipment	1,253	5.0%	62
348	Other Tangible Plant	N/A	N/A	N/A
	TOTALS	1,339,214		57,390

This amount goes on Comparative Statement of Income and Expense Acct. No. 403.

Page 6

See Accountants' Compilation Report.

Less amortization of
contributions in aid of
construction

Net Depreciation

(1,569)

55,821

COMPANY NAME Ray Water Company

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 31,923	\$ 29,380
134	Working Funds	N/A	N/A
135	Temporary Cash Investments	149,307	292,919
141	Customer Accounts Receivable	27,653	21,039
146	Notes/Receivables from Associated Companies	N/A	N/A
151	Plant Material and Supplies	N/A	N/A
162	Prepayments	767	825
174	Miscellaneous Current and Accrued Assets	31,411	19,031
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 241,061	\$ 363,194
	FIXED ASSETS		
101	Utility Plant in Service	\$ 1,310,536	\$ 1,339,214
103	Property Held for Future Use	N/A	N/A
105	Construction Work in Progress	N/A	11,543
108	Accumulated Depreciation – Utility Plant	550,882	595,223
121	Non-Utility Property	N/A	N/A
122	Accumulated Depreciation – Non Utility	N/A	N/A
	TOTAL FIXED ASSETS	\$ 759,654	\$ 755,534
	TOTAL ASSETS	\$ 1,000,715	\$ 1,118,728

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

See Accountants' Compilation Report.

COMPANY NAME Ray Water Company

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 1,879	\$ 299
232	Notes Payable (Current Portion)	55,685	29,703
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	36,695	42,213
236	Accrued Taxes	37,545	46,611
237	Accrued Interest	134	85
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 131,938	\$ 118,911
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	167,481	221,230
255	Accumulated Deferred Investment Tax Credits	9,870	8,906
271	Contributions in Aid of Construction	20,200	21,939
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax	40,834	14,326
	TOTAL DEFERRED CREDITS	\$ 238,385	\$ 266,401
	TOTAL LIABILITIES	\$ 370,323	\$ 385,312
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 16,000	\$ 16,000
211	Paid in Capital in Excess of Par Value	41,333	41,333
215	Retained Earnings	573,059	676,083
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 630,392	\$ 733,416
	TOTAL LIABILITIES AND CAPITAL	\$ 1,000,715	\$ 1,118,728

See Accountants' Compilation Report.

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 450,344	\$ 479,068
460	Unmetered Water Revenue		
474	Other Water Revenues	10,376	12,902
	TOTAL REVENUES	\$ 460,720	\$ 491,970
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 143,020	\$ 148,470
610	Purchased Water		
615	Purchased Power	57,125	55,273
618	Chemicals		
620	Repairs and Maintenance	4,296	3,376
621	Office Supplies and Expense	6,547	5,942
630	Outside Services	24,824	20,887
635	Water Testing		
641	Rents	20,000	20,000
650	Transportation Expenses	1,240	2,653
657	Insurance – General Liability	3,201	4,264
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case	10,000	10,000
675	Miscellaneous Expense	14,341	6,691
403	Depreciation Expense	56,341	55,821
408	Taxes Other Than Income	11,466	12,497
408.11	Property Taxes	31,514	31,670
409	Income Tax	16,663	15,605
	TOTAL OPERATING EXPENSES	\$ 400,578	\$ 393,149
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$ 4,188	\$ 12,473
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses	(3,719)	(4,301)
427	Interest Expense	(5,424)	(3,969)
	TOTAL OTHER INCOME/EXP	\$ (4,955)	\$ 4,203
	NET INCOME/(LOSS)	\$ 55,187	\$ 103,024

See Accountants' Compilation Report.

COMPANY NAME Ray Water Company

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	Various			
Source of Loan	Share- holders			
ACC Decision No.	53,267			
Reason for Loan	Plant Im- provements			
Dollar Amount Issued	\$ 200,000	\$	\$	\$
Amount Outstanding	\$ 29,703	\$	\$	\$
Date of Maturity	8-01-89			
Interest Rate	Prime			
Current Year Interest	\$ 3,969	\$	\$	\$
Current Year Principle	\$ 25,982	\$	\$	\$

Meter Deposit Balance at Test Year End \$ 8,888

Meter Deposits Refunded During the Test Year \$ 867

See Accountants' Compilation Report.

COMPANY NAME Ray Water Company

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number	Pump Horsepower	Pump Yield (Gpm)	Casing Size (inches)	Meter Size (inches)
55-609462	30	175	10"	6" FM
55-609464	40	300	12"	6" FM
55-609465	60	425	12"	6" FM
55-609466	30	260	12"	4" FM
55-800420	60	350	12"	6" FM
55-535561	40	300	12"	6" FM

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.) = 207,584

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
25	1	36	N/A
20	1		
15	3		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
50,000	4	5,000	4
		6,000	1
		1,000	1

See Accountants' Compilation Report.

STATISTICAL INFORMATION

Total number of customers	1,054	
Total number of gallons sold	195,934	gallons

See Accountants' Compilation Report.

COMPANY NAME Ray Water Company YEAR ENDING 12/31/2000

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2000 was: \$ 31,591.78

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

See Accountants' Compilation Report.

COMPANY NAME Ray Water Company

YEAR ENDING 12/31/2000

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>133,181</u>
Estimated or Actual Federal Tax Liability	<u>35,191</u>

State Taxable Income Reported	<u>144,762</u>
Estimated or Actual State Tax Liability	<u>11,535</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>None</u>
Amount of Gross-Up Tax Collected	<u>None</u>
Total Grossed-Up Contributions/Advances	<u>None</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

X Dorleen Mallis
SIGNATURE

X 4/3/01
DATE

Dorleen Mallis
PRINTED NAME

President
TITLE

See Accountants' Compilation Report.

COMPANY NAME Ray Water Company YEAR ENDING 12/31/2000

**WATER AND SEWER
UTILITIES ONLY**

PROPERTY TAXES

Indicate the amount of actual property taxes paid during this reporting period (Calendar Year 2000)

\$ 31,591.78

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled Checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain reasons below:

See Accountants' Compilation Report.

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Pima
NAME (OWNER OR OFFICIAL) TITLE Dorleen Mallis, President
COMPANY NAME Ray Water Company

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2000

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

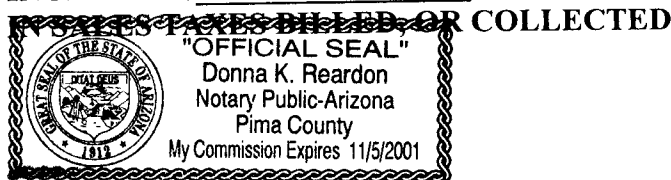
SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2000 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 521,593

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 29,623



****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

Dorleen Mallis
SIGNATURE OF OWNER OR OFFICIAL

520-623-1332
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

3RD

DAY OF

(SEAL)

MY COMMISSION EXPIRES

11-5-2001

COUNTY NAME PIMA	
MONTH APRIL	2001
<i>Donna K. Reardon</i> SIGNATURE OF NOTARY PUBLIC	

See Accountants' Compilation Report.

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) Pima	
NAME (OWNER OR OFFICIAL) Dorleen Mallis	TITLE President
COMPANY NAME Ray Water Company	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2000

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

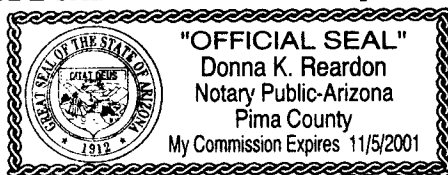
IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2000 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 441,309

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 25,699
IN SALES TAXES BILLED, OR COLLECTED

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**



SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

3RD

DAY OF

(SEAL)

MY COMMISSION EXPIRES

X Donna K. Reardon
SIGNATURE OF OWNER OR OFFICIAL

NOTARY PUBLIC NAME DONNA K. REARDON	
COUNTY NAME PIMA	
MONTH APRIL	2001

X Donna K. Reardon
SIGNATURE OF NOTARY PUBLIC

See Accountants' Compilation Report.

C 155487 PIMA COUNTY TAX RECEIPT



ARIZONA
1999 FIRST HALF PAID
1999 SECOND HALF PAID

PROPERTY ADDRESS: RECEIPT FOR PAYMENT OF: SECOND HALF 1999
TAXES PAID: \$11.44
INTEREST PAID: \$0.00

LEGAL DESCRIPTION:
RAY AMENDED LOT 3 BLK 4
RAY WATER COMPANY TOTAL VALUE OF OPERATING
PROPERTY TAXPAYER GROUP NO 220
(FORMERLY 139-32-0180)

R & M REAL ESTATE LIMITED PARTSHIP LLP
ATTN: D MALLIS & R ROSENBAUM
414 N COURT AVE
TUCSON AZ
857010000
FI

TOTAL AMOUNT PAID: \$11.44
DATE PAI

* 00.00
* 00.00
* 68.89
+ 11.44
+ 7.32
+ 12.48
+ 68.57
+ 11.44
+ 11.44
+ 15,634.20
* 00.00
* 00.00
* 00.00
Thar 0
FI

C 155488 PIMA COUNTY TAX RECEIPT



ARIZONA
1999 FIRST HALF PAID
1999 SECOND HALF PAID

PROPERTY ADDRESS: RECEIPT FOR PAYMENT OF: SECOND HALF 1999
TAXES PAID: \$11.44
INTEREST PAID: \$0.00

LEGAL DESCRIPTION:
RAY AMENDED LOT 1 BLK 5
RAY WATER COMPANY TOTAL VALUE OF OPERATING
PROPERTY TAXPAYER GROUP NO 220
(FORMERLY 139-32-0280)

R & M REAL ESTATE LTD PARTNERSHIP LLP
ATTN: D MALLIS & R ROSENBAUM
414 N COURT AVE
TUCSON AZ
857010000
FI

TOTAL AMOUNT PAID: \$11.44
DATE PAID: 04/27/2000

Thank you for your payment.
JAMES LEE KIRK
PIMA COUNTY TREASURER

15,634.20
11.44
11.44
68.57
12.48
7.32
11.44
15,756.89
0.00
0.00
b 23-1
May 99
JLK

C 155490 PIMA COUNTY TAX RECEIPT



ARIZONA

CO BOOK MAP PARCEL 1999 FIRST HALF 1999 SECOND HALF
10 140 35 16707 PAID PAID

PROPERTY ADDRESS:

5710 S REX SV PC

LEGAL DESCRIPTION:

CORONET PARK NO 1 LOT 164

RECEIPT FOR PAYMENT OF: SECOND HALF 1999
TAXES PAID: \$15,634.20
INTEREST PAID: \$0.00

TOTAL VALUE OF OPERATING PROPERTY

TAXPAYER GROUP NO 220

(FORMERLY 139-33-1670)

TOTAL AMOUNT PAID: \$15,634.20
DATE PAID: 04/27/2000

RAY WATER CO
414 N COURT AV
TUCSON AZ
857010000

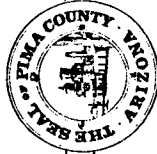
F1

Thank you for your payment.

JAMES LEE KIRK

PIMA COUNTY TREASURER

C 155491 PIMA COUNTY TAX RECEIPT



ARIZONA

CO BOOK MAP PARCEL 1999 FIRST HALF 1999 SECOND HALF
10 140 35 20504 PAID PAID

PROPERTY ADDRESS:

LEGAL DESCRIPTION:

CORONET PARK NO 2 PARCEL 50' X 75'
BLK 2

TOTAL VALUE OF OPERATING PROPERTY-TAXPAYER
GROUP NO 220
(FORMERLY 139-33-2050)

RECEIPT FOR PAYMENT OF: SECOND HALF 1999
TAXES PAID: \$68.57
INTEREST PAID: \$0.00

TOTAL AMOUNT PAID: \$68.57
DATE PAID: 04/27/2000

RAY WATER CO
414 N COURT AVE
TUCSON AZ
857010000

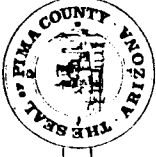
F1

Thank you for your payment.

JAMES LEE KIRK

PIMA COUNTY TREASURER

C 155485 PIMA COUNTY TAX RECEIPT



ARIZONA

CO BOOK MAP PARCEL 1999 FIRST HALF 1999 SECOND HALF
10 140 06 00908 PAID PAID

PROPERTY ADDRESS:

LEGAL DESCRIPTION:

MORTIMORE LOT 20 BLK 11

TOTAL VALUE OF OPERATING PROPERTY TAXPAYER

GROUP #220

(FORMERLY 139-09-0090)

RAY WATER CO
414 N COURT AVE
TUCSON AZ
857010000

FI

Thank you for your payment.

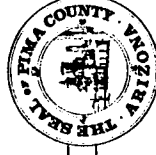
JAMES LEE KIRK

PIMA COUNTY TREASURER

RECEIPT FOR PAYMENT OF: SECOND HALF 1999
TAXES PAID: \$12.48
INTEREST PAID: \$0.00

TOTAL AMOUNT PAID: \$12.48
DATE PAID: 04/27/2000

C 155486 PIMA COUNTY TAX RECEIPT



ARIZONA

CO BOOK MAP PARCEL 1999 FIRST HALF 1999 SECOND HALF
10 140 34 08107 PAID PAID

PROPERTY ADDRESS:

LEGAL DESCRIPTION:

RAY AMENDED THAT PT OF LOT 9 BLK 15 LYG SLY OF

SWAN RD & PT ABAND RD (ABAND 7562/1098

(FORMERLY 139-32-185B) TOTAL VALUE OF OPERATING

PROPERTY-TAXPAYER GROUP NO 55-220

RECEIPT FOR PAYMENT OF: SECOND HALF 1999
TAXES PAID: \$7.32
INTEREST PAID: \$0.00

TOTAL AMOUNT PAID: \$7.32
DATE PAID: 04/27/2000

R & M REAL ESTATE LIMITED PARTNERSHIP
ATTN: MALLIS & ROSENBAUM (RAY WATER CO)
414 N COURT
TUCSON AZ
857010000
FI

Thank you for your payment.

JAMES LEE KIRK

PIMA COUNTY TREASURER

C 155489 PIMA COUNTY TAX RECEIPT



ARIZONA

CO BOOK MAP PARCEL
10 140 34 27504

1999 FIRST HALF
PAID

1999 SECOND HALF
PAID

PROPERTY ADDRESS:

RECEIPT FOR PAYMENT OF: SECOND HALF 1999
TAXES PAID: \$11.44
INTEREST PAID: \$0.00

LEGAL DESCRIPTION:

RAY AMENDED N55' OF LOT 16 EXC TRI IN NW COR
THEREOF BLK 12 (WELLSITE) TOTAL VALUE OF
OPERATING PROPERTY TAXPAYER GROUP #220

TOTAL AMOUNT PAID: \$11.44
DATE PAID: 04/27/2000

(FORMERLY 139-32-146A)

R & M REAL ESTATE LTD PARTNERSHIP LLP
ATTN: DORLEEN G MALLIS & RHONDA M
ROSENBAUM
414 N COURT AV
TUCSON AZ 857010000
FI

Thank you for your payment.

JAMES LEE KIRK

PIMA COUNTY TREASURER

M108309 PIMA COUNTY TAX RECEIPT

ARIZONA

COUNTY	BOOK	PAGE	AMOUNT OF TAX	PAID	REMARKS
10	140	34 2750 4	\$11.33		
				\$11.33	

THIS IS YOUR RECEIPT FOR PAYMENT OFF FIRST HALF

R & M REAL ESTATE LTD PARTNERSHIP LLP
 ATTN: DORLEEN G MALLIS & RHONDA M
 ROSENBAUM
 414 N COURT AV
 TUCSON AZ 857010000
 FI

11.33
 67.97
 11.33
 11.33
 11.33
 15,709.34
 11.33
 12.26
 15,834.89

1st Half 2000
to 223-1

M108309 PIMA COUNTY TAX RECEIPT

ARIZONA

COUNTY	BOOK	PAGE	AMOUNT OF TAX	PAID	REMARKS
10	140	35 2050 4	\$67.97		
				\$67.97	

THIS IS YOUR RECEIPT FOR PAYMENT OFF FIRST HALF 2000 REAL ESTATE TAXES.

RAY WATER CO
 414 N COURT AVE
 TUCSON AZ
 857010000
 FI

AMOUNT PAID	\$67.97	DATE	11/02/2000
THANK YOU FOR YOUR PAYMENT.		JAMES LEE KIRK PIMA COUNTY TREASURER	



223-3

M108398 PIMA COUNTY TAX RECEIPT

ARIZONA



10	140	34	0180	5	\$11.33	PAID	\$11.33
----	-----	----	------	---	---------	------	---------

THIS IS YOUR RECEIPT FOR PAYMENT OFFIRST HALF 2000 REAL ESTATE TAXES.

R & M REAL ESTATE LIMITED PARTSHIP LLP
ATTN: D MALLIS & R ROSENBAUM
414 N COURT AVE
TUCSON AZ
857010000
FI

AMOUNT PAID	DATE	MONTH	DAY	YEAR
\$11.33	11/02/2000			

THANK YOU FOR YOUR PAYMENT.
JAMES LEE KIRK
PIMA COUNTY TREASURER

M108398 PIMA COUNTY TAX RECEIPT

ARIZONA



10	140	34	0280	4	\$11.33	PAID	\$11.33
----	-----	----	------	---	---------	------	---------

THIS IS YOUR RECEIPT FOR PAYMENT OFFIRST HALF 2000 REAL ESTATE TAXES.

R & M REAL ESTATE LTD PARTNERSHIP LLP
ATTN: D MALLIS & R ROSENBAUM
414 N COURT AVE
TUCSON AZ
857010000
FI

AMOUNT PAID	DATE	MONTH	DAY	YEAR
\$11.33	11/02/2000			

THANK YOU FOR YOUR PAYMENT.
JAMES LEE KIRK
PIMA COUNTY TREASURER

M108300 PIMA COUNTY TAX RECEIPT



ARIZONA

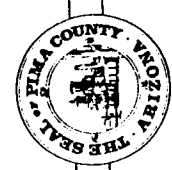
COUNTY	BOOK	LINE	AMOUNT OF ASSESSMENT	AMOUNT PAID	DATE	REMARKS
10	140	35	1670 7	\$15,709.34	PAID	\$15,709.34

THIS IS YOUR RECEIPT FOR PAYMENT OFFIRST HALF 2000 REAL ESTATE TAXES.

RAY WATER CO
414 N COURT AV
TUCSON AZ
357010000
FI

AMOUNT PAID \$15,709.34 11/02/2000
THANK YOU FOR YOUR PAYMENT.
JAMES LEE KIRK
PIMA COUNTY TREASURER

M108401 PIMA COUNTY TAX RECEIPT



ARIZONA

COUNTY	BOOK	LINE	AMOUNT OF ASSESSMENT	AMOUNT OF TAX	FIRST HALF	SECOND HALF
10	140	34	0810 7	\$11.33	PAID	\$11.33

THIS IS YOUR RECEIPT FOR PAYMENT OFFIRST HALF 2000 REAL ESTATE TAXES.

R & M REAL ESTATE LIMITED PARTNERSHIP
ATTN: MALLIS & ROSENBAUM (RAY WATER CO)
414 N COURT
TUCSON AZ
357010000
FI

AMOUNT PAID \$11.33 11/02/2000
THANK YOU FOR YOUR PAYMENT.
JAMES LEE KIRK
PIMA COUNTY TREASURER

PIMA COUNTY TAX RECEIPT

M100360



ARIZONA

10	140	06	0090	8	*****	PAID	\$12.26	\$12.26
----	-----	----	------	---	-------	------	---------	---------

THIS IS YOUR RECEIPT FOR PAYMENT OFFIRST HALF 2000 REAL ESTATE TAXES.

RAY WATER CO
414 N COURT AVE
TUCSON AZ

857010000
FI

AMOUNT PAID	DATE	MONTH	DAY	YEAR
\$12.26	11/02/2000	11	02	2000

THANK YOU FOR YOUR PAYMENT.
JAMES LEE KIRK
PIMA COUNTY TREASURER

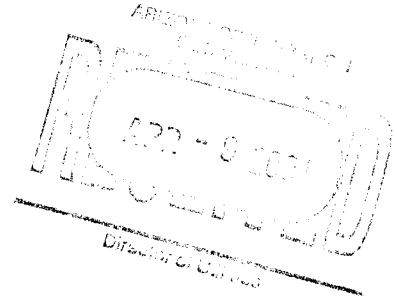
SEBY & ASSOCIATES, LTD.
CERTIFIED PUBLIC ACCOUNTANTS
POST OFFICE BOX 31090
TUCSON, ARIZONA 85751-1090

M. J. SEBY, CPA
PHILIP D. TUCKER, CPA
DOUGLAS W. LUBBEN, CPA
RICHARD G. BABBITT, CPA
GLENN E. FYDRYCH, CPA

NATIONAL BANK PLAZA
335 N. WILMOT RD., #400
TUCSON, ARIZONA 85711
TELEPHONE (520) 790-5500
FAX (520) 790-9899
EMAIL: cpa@seby.psemail.com

March 23, 2001

Compliance Section
Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007



RE: Ray Water Company
Water Utility Annual
Report

Dear Sir/Madam:

Please find enclosed the Annual Report of Water Utility and the accountants' compilation report for the above captioned corporation for the calendar year 2000.

Yours very truly,

SEBY & ASSOCIATES, LTD.


Philip D. Tucker, CPA

PDT:vb
Enclosure

SEBY & ASSOCIATES, LTD.
CERTIFIED PUBLIC ACCOUNTANTS
POST OFFICE BOX 31090
TUCSON, ARIZONA 85751-1090

M. J. SEBY, CPA
PHILIP D. TUCKER, CPA
DOUGLAS W. LUBBEN, CPA
RICHARD G. BABBITT, CPA
GLENN E. FYDRYCH, CPA

NATIONAL BANK PLAZA
335 N. WILMOT RD., #400
TUCSON, ARIZONA 85711
TELEPHONE (520) 790-5500
FAX (520) 790-9899
EMAIL: cpa@seby.psemail.com

Ray Water Company
414 North Court
Tucson, AZ 85701

We have compiled the annual report to the Arizona Corporation Commission, Utilities Division, Compliance Section for the year ended December 31, 2000 for Ray Water Company included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting in the form prescribed by the Arizona Corporation Commission, Utilities Division, Compliance Section, information that is the representation of management. We have not audited or reviewed the financial statements referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

The financial and statistical information, including other disclosures, are presented in accordance with the requirements of the Arizona Corporation Commission, Utilities Division, Compliance Section, which differ from generally accepted accounting principles. Accordingly, the financial statements are not designed for those who are not informed about such differences.

Respectfully submitted,



SEBY & ASSOCIATES, LTD.
Certified Public Accountants

March 23, 2001